

April 8, 2014

**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: WC Docket No. 11-42 –Lifeline and Link Up Reform and Modernization**

**NOTICE OF EX PARTE PRESENTATION**

Dear Ms. Dortch:

On April 8 2014, Javier Rosado, Senior Officer – Alternative Business Units, TracFone Wireless, Inc., and undersigned counsel met with Kimberly Scardino, Chief, Wireline Competition Bureau, Telecommunications Access Policy Division, Radhika Karmarkar, Deputy Chief, Wireline Competition Bureau, Telecommunications Access Division, and with Jonathan Lechter and Anita Patankar-Stoll, both attorney-advisors, Wireline Competition Bureau, Telecommunications Access Policy Division. During the meeting, we discussed the Lifeline program supported by the federal Universal Service Fund, the impact of certain reforms adopted by the Commission in 2012 which have reduced waste, fraud and abuse of USF resources, and further reforms which the Commission should consider for adoption in the future to further enhance its ability and that of Lifeline providers to detect and prevent waste, fraud and abuse in the Lifeline program.

Among the reform proposals discussed were two fraud prevention measures which are the subject of pending TracFone petitions. In May 2012, TracFone proposed that the Commission require that Lifeline providers retain and make available for audit by the Commission or by the Universal Service Administrative Company the Lifeline eligibility documentation which applicants are required to produce and which Lifeline providers purport to have viewed. A document retention rule subject to appropriate consumer privacy safeguards will close a loophole in the current rule and will prevent Lifeline providers from claiming to have viewed such documentation without being able to prove that they have done so. In May 2013, TracFone proposed to that the Commission prohibit in-person distribution of handsets associated with Lifeline-supported service. Such a prohibition will eliminate the widely-criticized practice engaged in by some providers of handing out phones on street corners, out of car trunks, at parks and fairs, and other locations. Such practices have been the subject to numerous videos and other news reports and have besmirched the entire Lifeline industry and those who regulate it.

In addition, we proposed several other fraud detection and prevention measures which are not the subject of any pending petitions but which would have a significant impact on preventing Lifeline fraud. These include the following:

1. Require Lifeline providers to notify in writing all applicants for enrollment in their Lifeline programs that once they are enrolled in the provider's Lifeline service, the consumers will no longer receive discounts on service obtained from other providers. Furthermore, Lifeline applicants should be required to indicate that understanding by placing their initials at the disclosure statement. For example, if a consumer enrolls in a wireless Lifeline service, the provider would be required to notify the consumer in writing that the consumer's household is only entitled to one Lifeline-supported service and that service provided to that household by another provider such as the wireline local exchange carrier no longer will be invoiced at Lifeline-subsidized discounted rates. The applicant would then be required to place his/her initials next to that statement. This would reduce, if not eliminate entirely, opportunities for misunderstanding that a household may obtain Lifeline benefits from one provider (e.g., a wireless provider) while continuing to receive Lifeline-supported service from another provider (e.g., a wireline provider).
2. In states where Lifeline providers verify applicant eligibility by accessing a state eligibility database, Lifeline providers should be required to have applicants produce one form of identification so that the provider can verify that the applicant is, in fact, the person listed on the state database as being enrolled in a qualifying program.
3. Require any Lifeline service applicant who requests that a device associated with Lifeline service be sent to any address other than the applicant's residential address as reflected on the enrollment application also provide the shipping address for uploading to the National Lifeline Accountability Database.
4. Certain program-based eligibility documentation does not identify the applicant on the face of the document. For example, in several states, Supplemental Nutrition Assistance Program cards do not contain the cardholder's name. In such situations, Lifeline providers should be required to demonstrate that they are, in fact, the cardholder. This can be demonstrated, for example, by requiring the applicant to provide a signature for comparison with the signature on the back of the card.

The Lifeline program provides an invaluable benefit to millions of low-income households. The program is important to those households and should be preserved. Program fraud imposes a burden on USF resources. Opportunities to defraud the program should be identified and eliminated. TracFone looks forward to the Commission's consideration of these and other fraud detection and prevention proposals.

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Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically. If there are questions, please communicate directly with undersigned counsel for TracFone.

Sincerely,



Mitchell F. Brecher

cc: Ms. Kimberly Scardino  
Ms. Radhika Karmarkar  
Mr. Jonathan Lechter  
Ms. Anita Patankar-Stoll